

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0121

IN RE:

Garden State Securities, Inc.

CONSENT ORDER
No. 07-053-COR

1. At all relevant times, it has been unlawful in Maine for a person to transact business as a broker-dealer unless licensed or exempt from licensing under the Revised Maine Securities Act (the "Revised Act"), 32 M.R.S.A. §§ 10301 and 10302 (in effect until December 31, 2005), or the Maine Uniform Securities Act (the "Uniform Act"), 32 M.R.S.A §16401 (in effect since December 31, 2005).
2. Garden State Securities Inc. ("Garden State") is a securities broker-dealer with a principal place of business located at 1540 Highway 138, Suite 303, Wall, New Jersey.
3. Garden State submitted an application for licensing as a broker-dealer with the Maine Office of Securities ("Office of Securities") on January 6, 2006.
4. By letter dated March 7, 2006, and in response to a request for additional information regarding the firm's pending application, Garden State informed the Office of Securities that the firm had one Maine account, and that, "to the best of its knowledge," it had effected one transaction in Maine, on January 9, 2006. By letter dated March 6, 2006, the firm had offered to rescind that transaction, and the customer subsequently accepted that offer.
5. Garden State was licensed in Maine as a broker-dealer on December 31, 2006.
6. Subsequent to the licensing of the firm, it came to the attention of the Office of Securities that a Garden State agent not licensed or exempt from licensing in Maine had been soliciting a Maine resident for the past two years to effect securities transactions through Garden State. This discovery prompted the Office of Securities to inquire further into unlicensed activity by Garden State and its agents.
7. By letter dated March 14, 2007, and in response to an inquiry from it, the Office of Securities received information from Garden State's clearing firm, RBC Dain Rauscher, that Garden State had effected ten securities transactions in three different accounts between November 2, 2004 and July 10, 2006. With the

exception of the transaction referenced in paragraph 4 above, neither the transactions nor the accounts had been disclosed to the Office of Securities by Garden State.

8. It is the position of the Office of Securities that Garden State acted as a broker-dealer in Maine without being licensed or exempt from licensing, in violation of the Revised Act and the Uniform Act. It is the further position of the Office of Securities that Garden State continued to effect transactions in Maine without being licensed or exempt from licensing as a broker-dealer after the Office of Securities had inquired about unlicensed activity and the firm had reported the transaction referenced in paragraph 4 above.
9. Garden State has represented to the Office of Securities that the violations were inadvertent oversights.
10. Both parties desire an expeditious resolution of this matter.

ORDER

NOW, THEREFORE, it is ORDERED that:

1. Garden State will comply with all licensing and other legal requirements governing persons acting as broker-dealers in the State of Maine at all times from the date hereof; and
2. Garden State shall pay a civil penalty in the amount of \$10,000 to the Office of Securities upon Garden State's execution of this Order.

Garden State hereby waives its right to a hearing and to a judicial review and consents to the entry of the order set forth above.

August 1, 2007
Date

s/Kevin J. Derosa, President
Kevin J. Derosa, President
Garden State Securities, Inc.

August 6, 2007
Date

s/Bonnie E. Russell
Bonnie E. Russell
Acting Securities Administrator

Reviewed by:

August 6, 2007
Date

s/Stephen L. Diamond
Stephen L. Diamond
Assistant Securities Administrator

Presented by:

August 6, 2007
Date

s/Billie-Jo A. Rodgers
Billie-Jo A. Rodgers
Licensing Coordinator